

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING OCTOBER 5, 2023**

CASE No. 23774

UTAH 17/18 714H WELL

EDDY COUNTY, NEW MEXICO



**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF MEWBOURNE OIL
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 23774

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COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 23774	APPLICANT'S RESPONSE
Date	October 5, 2023
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company (OGRID 14744)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	N/A
Well Family	Utah 17/18 wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Alacran Hills Upper Wolfcamp Oil (98314)
Well Location Setback Rules:	Statewide rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	317.11-acres
Building Blocks:	40-acres
Orientation:	East-West
Description: TRS/County	S2N2 of Section 17 and Lot 2, SE4NW4, S2NE4 (S2N2 equivalent) of Section 18, T21S, R27E, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Utah 17/18 Fed Com 714H (API No. -----) SHL: 1710' FNL, 205' FEL (Unit H) of Section 17, T21S, R27E BHL: 1980' FNL, 100' FWL (Lot 2) of Section 18, T21S, R27E Target: Wolfcamp Orientation: East-West Completion: Standard Location
Horizontal Well First and Last Take Points	Exhibit A-1

Completion Target (Formation, TVD and MD)	Exhibit A-3, Exhibit B-2
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$11,000
Production Supervision/Month \$	\$1,100
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	See filed Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-2
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-2
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-3
Cost Estimate to Equip Well	Exhibit A-3
Cost Estimate for Production Facilities	Exhibit A-3
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibits A-1, B-1
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibits A-3, B-2
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit B-1

Well Bore Location Map	Exhibit A-1, B-1
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-1
Cross Section (including Landing Zone)	Exhibit B-2
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael Feldewert
Signed Name (Attorney or Party Representative):	
Date:	10/3/2023

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 23774

APPLICATION

Mewbourne Oil Company (“Applicant”) (OGRID No. 14744), through its undersigned attorneys, hereby files this application with the Oil Conservation Division for an order pooling a 317-acre, more or less, standard horizontal well spacing unit in the Wolfcamp formation underlying the S2N2 of Sections 17 & 18, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. In support Applicant states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate this spacing unit to the proposed **Utah 17/18 Fed Com 714H** well to be horizontally drilled from a surface hole location in the NE4 of Section 17, with a first take point in the SE4NE4 (Unit H) of Section 17 and a last take point in the SW4NW4 equivalent (Lot 2) of irregular Section 18.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the working interest owners in the subject spacing unit.
4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

5. Approval of this application will allow the efficient recovery of the oil and gas reserves underlying the subject lands, and is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 5, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial well thereon;
- B. Designating Applicant as operator of the horizontal spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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Adam G. Rankin

Julia Broggi

Paula M. Vance

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**ATTORNEYS FOR MEWBOURNE OIL
COMPANY**

CASE _____ :

Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling a 317-acre, more or less, standard horizontal well spacing unit in the Wolfcamp formation underlying the S2N2 of Sections 17 & 18, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be initially dedicated to the proposed **Utah 17/18 Fed Com 714H** well to be horizontally drilled from a surface hole location in the NE4 of Section 17, with a first take point in the SE4NE4 (Unit H) of Section 17 and a last take point in the SW4NW4 equivalent (Lot 2) of irregular Section 18. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the operating costs and charges for supervision, the designation of applicant as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 4 miles north of Carlsbad, New Mexico.

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATIONS OF MEWBOURNE OIL COMPANY FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NOS. 23773 & 23774

SELF AFFIRMED STATEMENT OF ARIANA RODRIGUES, LANDMAN

1. My name is Ariana Rodrigues, and I am employed by Mewbourne Oil Company (“Mewbourne”) as a Landman. My responsibilities include the Permian Basin of New Mexico. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.

2. I am familiar with the application filed by Mewbourne in this matter and the status of the lands in the subject area. The mineral owners to be pooled have not expressed any opposition to this proceeding.

3. Mewbourne seeks orders pooling two standard horizontal well spacing units in the Wolfcamp formation underlying the N2 of Sections 17 & 18, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico as follows:

- **Case 23773** seeks to pool the N2N2 of Sections 17 & 18 to be initially dedicated to the proposed **Utah 17/18 Fed Com 712H** well to be horizontally drilled from a surface hole location in the NE4 of Section 17, with a first take point in the NE4NE4 (Unit A) of Section 17 and a last take point in the NW4NW4 equivalent (Lot 1) of irregular Section 18.
- **Case 23774** seeks to pool the S2N2 of Sections 17 & 18 to be initially dedicated to the proposed **Utah 17/18 Fed Com 714H** well to be horizontally drilled from a surface

hole location in the NE4 of Section 17, with a first take point in the SE4NE4 (Unit H) of Section 17 and a last take point in the SW4NW4 equivalent (Lot 2) of irregular Section 18.

4. **Exhibit A-1** contains the Form C-102s for the proposed initial wells.

5. **Exhibit A-2** identifies the tracts of land comprising the proposed spacing units, the working interest ownership in each tract, and the consolidated working interest ownership in the proposed horizontal spacing unit. Mewbourne has identified the “uncommitted” working interest owners that remain to be pooled in red. The acreage is comprised of state and federal lands.

6. **Exhibit A-3** contains a sample of the well proposal letters to the working interest owners Mewbourne has been able to locate. The costs reflected in the AFEs provided with these letters are consistent with what Mewbourne and other operators have incurred for drilling similar horizontal wells in the area in this formation.

7. **Exhibit A-4** contains a chronology of the contacts with the uncommitted working interest owners. Mewbourne has made a good faith effort to obtain voluntary joinder of these owners in the proposed spacing unit and initial wells.

8. I have provided the law firm of Holland & Hart, LLP, with the names and addresses of the mineral owners that remain to be pooled and instructed that they be notified of this hearing.

9. Mewbourne requests overhead and administrative rates of \$11,000 per month for drilling and \$1,100 per month for a producing well. These rates are consistent with or below the rates charged by Mewbourne and other operators for similar wells in this area.

10. In compiling the addresses of the parties to be pooled, Mewbourne has conducted a diligent search of all public records in the county where the proposed unit is located, reviewed

telephone directories, and conducted computer searches. To my knowledge, there are no unlocatable affected parties.

11. Exhibits A-1 through A-4 were either prepared by me or compiled under my direction from company business records.

12. In my opinion, approval of this application is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

13. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



ARIANA RODRIGUES

10/3/2023
Date

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 98314	³ Pool Name ALACRAN HILLS UPPER WOLFCAMP OIL
⁴ Property Code	⁵ Property Name UTAH 17/18 FED COM	
⁷ OGRID NO. 14744	⁸ Operator Name MEWBOURNE OIL COMPANY	⁶ Well Number 714H
		⁹ Elevation 3227'

¹⁰ Surface Location

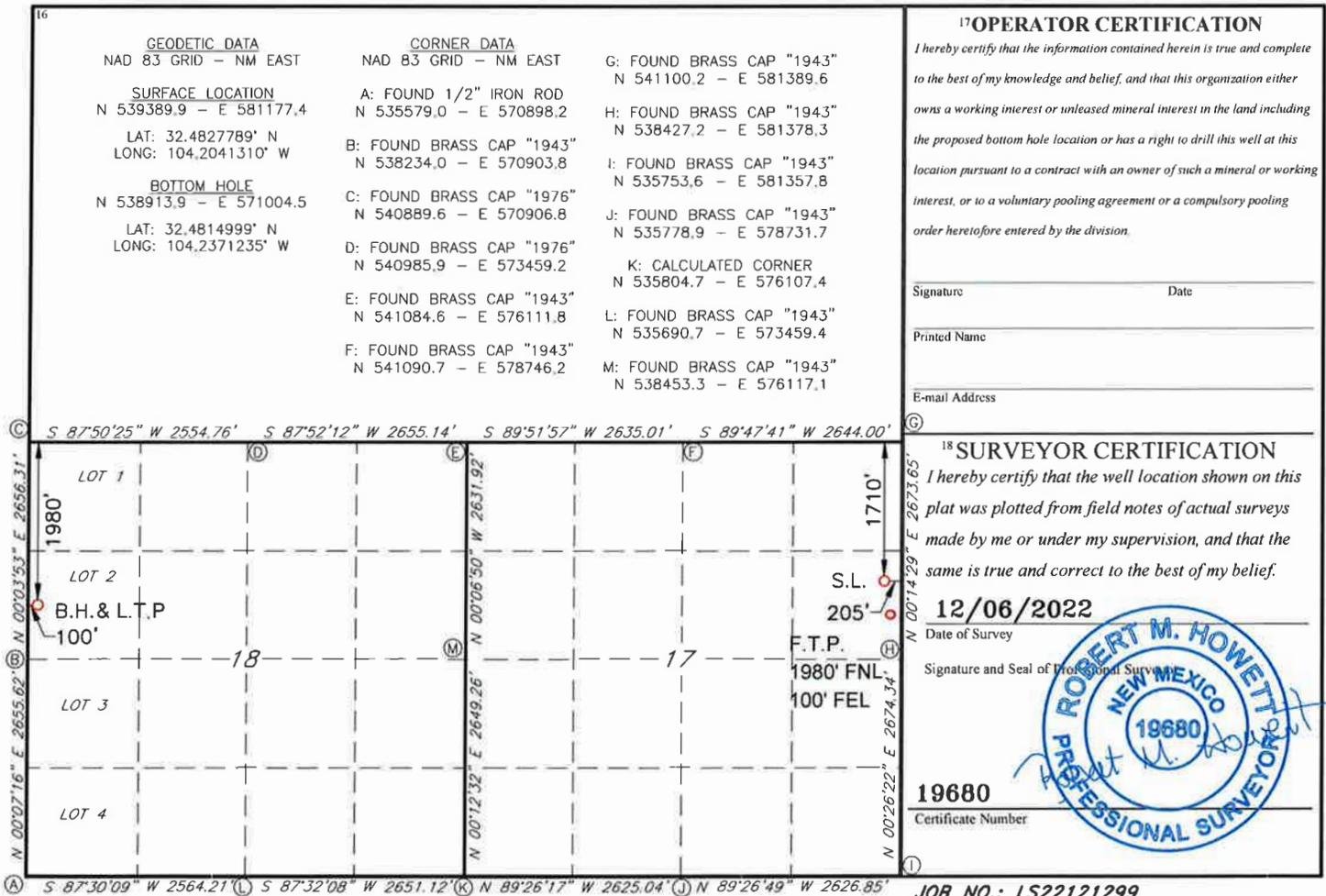
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
H	17	21S	27E		1710	NORTH	205	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	18	21S	27E		1980	NORTH	100	WEST	EDDY

¹² Dedicated Acres 317.11	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



Section Plat
Utah 17/18 Fed Com 714H
 S2N2 of Section 17 & S2N2 of Section 18
 T21S, R27E, Eddy County, New Mexico

Section 18	Section 17
Tract 2: State Lease L0-5036-0005	Tract 1: Federal Lease NMNM 0560291

Tract Ownership

Ownership by Tract

Tract 1: S2N2 of Section 17 - Federal Lease NMNM 0560291

Entity/Individual	Interest	Gross Acres	Net Acres
Mewbourne Oil Company	100.000000%	160.00	160.000000
Total	100.000000%		160.000000

Tract 2: S2N2 of Section 18 - State Lease L0-5036-0005

Entity/Individual	Interest	Gross Acres	Net Acres
EOG Resources, Inc.	48.000000%	160.00	76.800000
OXY USA WTP Limited Partnership	40.000000%	160.00	64.000000
OXY Y-1 Company	12.000000%	160.00	19.200000
Total	100.000000%		160.000000

Spacing Unit Ownership

Utah 17/18 Fed Com 714H	Percentage	Acres
Mewbourne Oil Company	50.000000%	160.000000
EOG Resources, Inc.	24.000000%	76.800000
OXY USA WTP Limited Partnership	20.000000%	64.000000
OXY Y-1 Company	6.000000%	19.200000
Total	100.000000%	320.000000

*Parties highlighted in Red are being pooled **Total Interest Being Pooled: 50.000000%**

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020
Midland, Texas 79701
Phone (432) 682-3715

January 17, 2023

Certified Mail

«Owner_Name»
«Attention»
«Address_Line_1»
«Address_Line_2»
«City», «State» «Zip»

Re: Utah 17/18 Working Interest Unit and Well Proposals
N/2 of Section 17 and 18, T21S, R27E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company (“MOC”), as Operator, hereby proposes creating a working interest unit comprising of the N/2 of Section 17 and N/2 of Section 18, T21S, R27E, Eddy County, New Mexico. As part of the initial development of this unit, MOC hereby proposes the following wells targeting the Wolfcamp formation:

- 1) UTAH 17/18 W0AD FED COM #1H – API # - pending
Surface Location: 1,350’ FNL & 205’ FEL, Section 17, T21S, R27E
Bottom Hole Location: 660’ FNL & 100’ FWL, Section 18, T21S, R27E
Proposed Total Vertical Depth: 8,822’
Proposed Total Measured Depth: 18,895’
Spacing Unit: N/2 of Section 17 & 18
- 2) UTAH 17/18 W0HE FED COM #1H – API # - pending
Surface Location: 1,370’ FNL & 205’ FEL, Section 17, T21S, R27E
Bottom Hole Location: 1,980’ FNL & 100’ FWL, Section 18, T21S, R27E
Proposed Total Vertical Depth: 8,835’
Proposed Total Measured Depth: 18,917’
Spacing Unit: N/2 of Section 17 & 18

Regarding the above, enclosed for your further handling is our Operating Agreement dated January 1, 2023, along with an extra set of signature pages and our AFEs dated December 14, 2022 for the captioned proposed wells.

In the event your firm elects to participate in the proposed wells, please execute the enclosed extra set of JOA signature/notary pages and the AFEs before mailing them back to my attention to the address on the letterhead above within thirty (30) days.

Please contact me at (432) 682-3715 or arodrigues@mewbourne.com if you have any questions or need additional information.

Very truly yours,

MEWBOURNE OIL COMPANY

Ariana Rodrigues
Landman

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: UTAH 17/18 W0HE FED COM #1H		Prospect: UTAH	
Location: SL: 1370 FNL & 205 FEL (17); BHL: 1980 FNL & 100 FWL (18)		County: EDDY	ST: NM
Sec. 18	Blk:	Survey:	TWP: 21S RNG: 27E Prop. TVD: 8835 TMD: 18917

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$75,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$50,000
Daywork / Turnkey / Footage Drilling	21 days drlg / 3 days comp @ \$29,000/d	0180-0110	\$650,400	0180-0210	\$92,900
Fuel	1700 gal/day @ \$3.90/gal	0180-0114	\$148,700	0180-0214	\$397,700
Alternate Fuels		0180-0115		0180-0215	\$120,000
Mud, Chemical & Additives		0180-0120	\$30,000	0180-0220	
Mud - Specialized		0180-0121	\$200,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	\$40,000
Cementing		0180-0125	\$130,000	0180-0225	\$50,000
Logging & Wireline Services		0180-0130	\$25,000	0180-0230	\$583,100
Casing / Tubing / Snubbing Service		0180-0134	\$30,000	0180-0234	\$15,000
Mud Logging		0180-0137	\$15,000		
Stimulation	80 Stg 25 MMgal & 25 MMlbs			0180-0241	\$3,262,500
Stimulation Rentals & Other				0180-0242	\$320,000
Water & Other	65% PW / 35% FW	0180-0145	\$35,000	0180-0245	\$406,900
Bits		0180-0148	\$83,300	0180-0248	\$5,000
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$30,000	0180-0265	\$90,000
Welding, Construction, & Maint. Services		0180-0168	\$4,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$134,600	0180-0270	\$91,600
Directional Services	Includes vertical control	0180-0175	\$307,600		
Equipment Rental		0180-0180	\$158,600	0180-0280	\$36,600
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,100	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$1,000
Damages		0180-0190	\$50,000	0180-0290	\$10,000
Pipeline Interconnect & ROW Easements		0180-0192		0180-0292	\$5,000
Company Supervision		0180-0195	\$79,200	0180-0295	\$37,900
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	5% (TCP) 5% (CC)	0180-0199	\$132,300	0180-0299	\$296,700
TOTAL			\$2,778,800		\$6,231,400

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")	360' - 20" 94# J-55 BTC @ \$135.08/ft	0181-0793	\$51,900		
Casing (10.1" - 19.0")	770' - 13 3/8" 54.5# J-55 ST&C @ \$76.30/ft	0181-0794	\$62,700		
Casing (8.1" - 10.0")	2680' - 9 5/8" 40# HCL80 LT&C @ \$60.83/ft	0181-0795	\$174,100		
Casing (6.1" - 8.0")	8380' - 7" 29# HPP110 BT&C @ \$59.83/ft	0181-0796	\$535,500		
Casing (4.1" - 6.0")	10690' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$33.47/ft			0181-0797	\$382,100
Tubing	8375' - 3 1/2" 9.2# L-80 IPC Tbg @ \$15.50/ft			0181-0798	\$138,600
Drilling Head		0181-0860	\$35,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools	Completion liner hanger			0181-0871	\$75,000
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000
Pumping Unit Systems	(1/2) TP/CP/CIRC PUMP			0181-0885	\$11,500
Service Pumps	(1/2) (6)OT/(5)WT/(1)GB			0181-0886	\$203,000
Storage Tanks	(1/2) (2)VRT/(1)VRU/(1)FLARE/(3)KO/(1)AIR			0181-0890	\$137,700
Emissions Control Equipment	(1/2) (2)H SEP/(1)V SEP/(2)VHT			0181-0892	\$65,800
Separation / Treating Equipment	(1/2) AUTOMATION/FIBER/METERS			0181-0895	\$87,700
Automation / Metering Equipment	(1/2) FACILTIY WORK + GL INJECTION			0181-0898	\$23,400
Oil/Gas Pipeline, Valves, & Misc.	(1/2) SWDL PIPE/FITTINGS			0181-0900	\$7,500
Water Pipeline, Valves, & Misc.	(1/2) BATTERY VALVES & FITTINGS			0181-0906	\$180,000
On-Site Valves, Fittings, Lines	WELLHEAD FLOWLINES & CONSTRUCTION			0181-0908	\$37,800
Cathodic Protection				0181-0909	\$0
Electrical Installation				0181-0910	\$157,800
Equipment Installation				0181-0920	\$125,000
Oil/Gas Pipeline Construction	(1/2) GAS LINE CONSTRUCTION				\$20,000
Water Pipeline Construction	(1/2) SWDL CONSTRUCTION				\$7,500
TOTAL			\$859,200		\$1,707,900
SUBTOTAL			\$3,638,000		\$7,939,300

TOTAL WELL COST **\$11,577,300**

Extra Expense Insurance

I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.
Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.

I elect to purchase my own well control insurance policy.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Prepared by: H. Buckley Date: 12/14/2022

Company Approval: _____ Date: _____

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____

Summary of Communications
Utah 17/18 Fed Com #714H
S2N2 of Section 17 & S2N2 of Section 18
T21S-R27E, Eddy County, New Mexico

EOG Resources Inc.:

- 1/18/2023: Mailed Well Proposal and JOA to the above listed party. 9402 8361 0426 2332 5955 25
- 4/26/2023: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.
- 5/31/2023: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

OXY Y-1 Company & OXY USA WTP Limited Partnership:

- 1/18/2023: Mailed Well Proposal and JOA to the above listed parties. 9402 8361 0426 2332 6117 20
- 1/24/2023: Correspondence with above listed parties regarding Working Interest Unit and Well Proposal.
- 3/21/2023: Correspondence with above listed parties regarding Working Interest Unit and Well Proposal.
- 3/23/2023: Correspondence with above listed parties regarding Working Interest Unit and Well Proposal.
- 4/25/2023: Correspondence with above listed parties regarding Working Interest Unit and Well Proposal.
- 8/24/2023: Correspondence with above listed parties regarding Working Interest Unit and Well Proposal.
- 9/29/2023: Correspondence with above listed parties regarding Working Interest Unit and Well Proposal.

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATIONS OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NOS. 23773 & 23774

SELF AFFIRMMENT STATEMENT OF CHARLES CROSBY, GEOLOGIST

1. My name is Charles Crosby, and I am employed by Mewbourne Oil Company (“Mewbourne”) as a petroleum geologist. My responsibilities include the Permian Basin of New Mexico. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology.

2. I am familiar with the applications filed by Mewbourne in these consolidated cases and I have conducted a geologic study of the lands in the subject area.

3. The target interval for the proposed initial Utah 17/18 Fed Com wells is the Wolfcamp Sand formation.

4. **Exhibit B-1** is a subsea structure map that I prepared for the top of the Wolfcamp formation. The contour intervals are 50 feet. The area comprising the proposed spacing units is outlined with the dashed black box, with the approximate location and orientation of the initial wells noted with dashed purple arrows. The structure map shows the Wolfcamp formation dipping East. The structure appears consistent across the proposed spacing units, and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells.

5. Exhibit B-1 also shows a line of cross section through the proposed horizontal spacing units from A to A’. I chose the logs from these wells to create the cross section because they penetrate the targeted interval, are of good quality and have been subjected to petrophysical

analysis of the targeted interval. In my opinion, these well logs are representative of the geology in the subject area.

6. **Exhibit B-2** is a stratigraphic cross-section that I prepared using the logs from the representative wells shown on Exhibit B-1. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target interval for the proposed wells is marked on the cross section with red arrow. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.

7. My geologic study indicates the Wolfcamp sand formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed horizontal spacing unit will be productive and contribute proportionately to the production from the wells.

8. Exhibit B-1 also shows the existing Wolfcamp development in this area. In my opinion, the laydown orientation of the proposed wells is appropriate because of the geologic stress in this area.

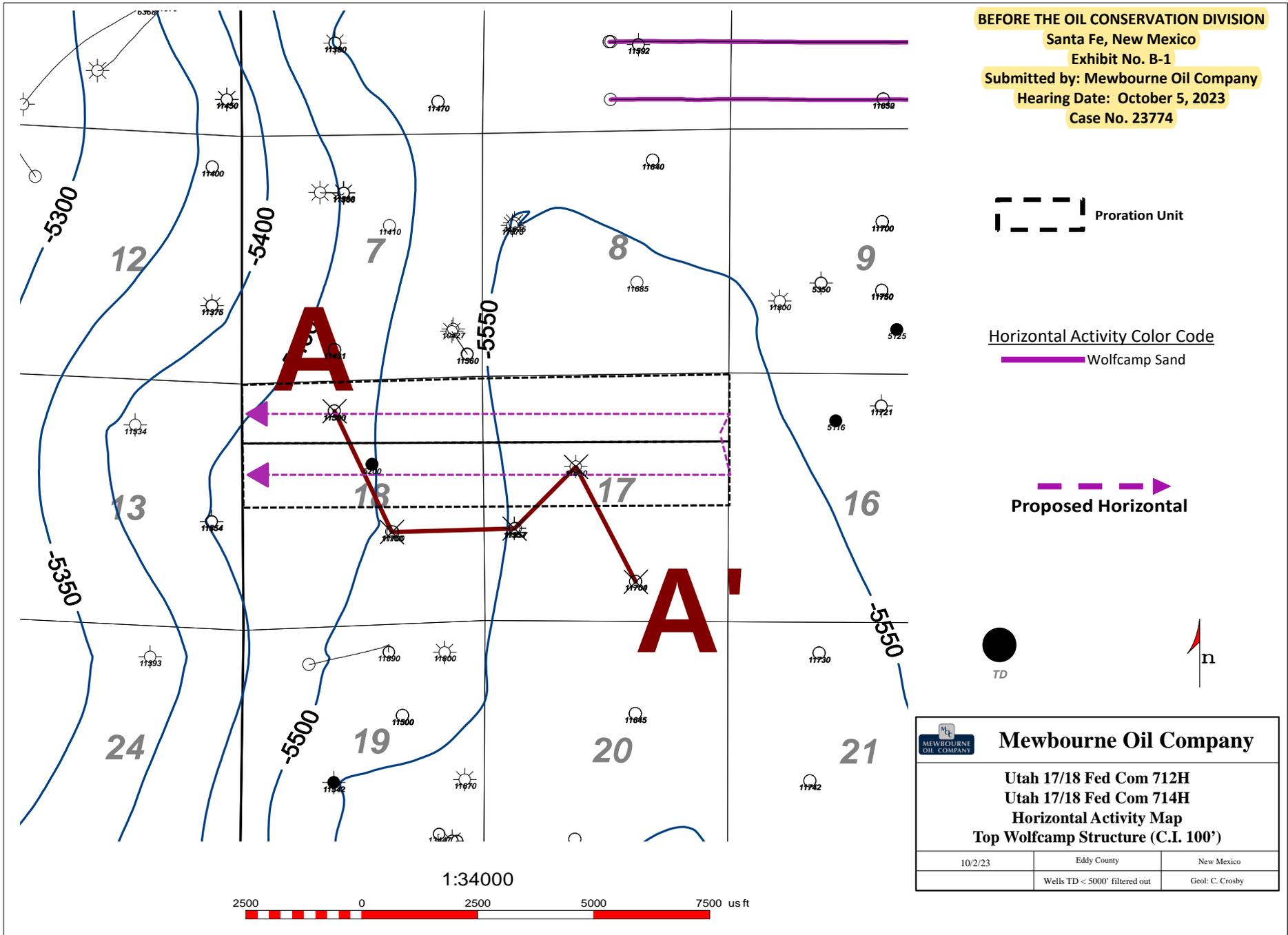
9. In my opinion, approval of these applications are in the best interest of conservation, the prevention of waste, and protection of correlative rights.

10. Exhibits B-1 through B-2 were either prepared by me or compiled under my direction and supervision.

11. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

CS
Charles Crosby

10/2/23
Date



A
W

A'
E

30015214330000
MOBIL OIL CORP
FEDERAL 00/2
Datum=3222.00
660 FNL 1980 FWL
TWP: 21 S - Range: 27 E - Sec. 18

2882 ft

30015214910000
YATES DRILLING CO
AVALON FEDERAL 2
Datum=3214.00
1980 FSL 1980 FEL
TWP: 21 S - Range: 27 E - Sec. 18

2644 ft

30015215460000
CITIES SERV OIL CO
STATE CS 1
Datum=3234.00
1980 FSL 1980 FWL
TWP: 21 S - Range: 27 E - Sec. 17

1877 ft

30015269060000
YATES PETROLEUM CORP
GLIDER 'AKB' STATE 1
Datum=3223.00
1980 FNL 1980 FWL
TWP: 21 S - Range: 27 E - Sec. 17

2796 ft

30015310030000
YATES PETROLEUM CORP
AVIETTE ALK STATE C 2
Datum=3262.00
860 FSL 1980 FEL
TWP: 21 S - Range: 27 E - Sec. 18

18C

18J

17L

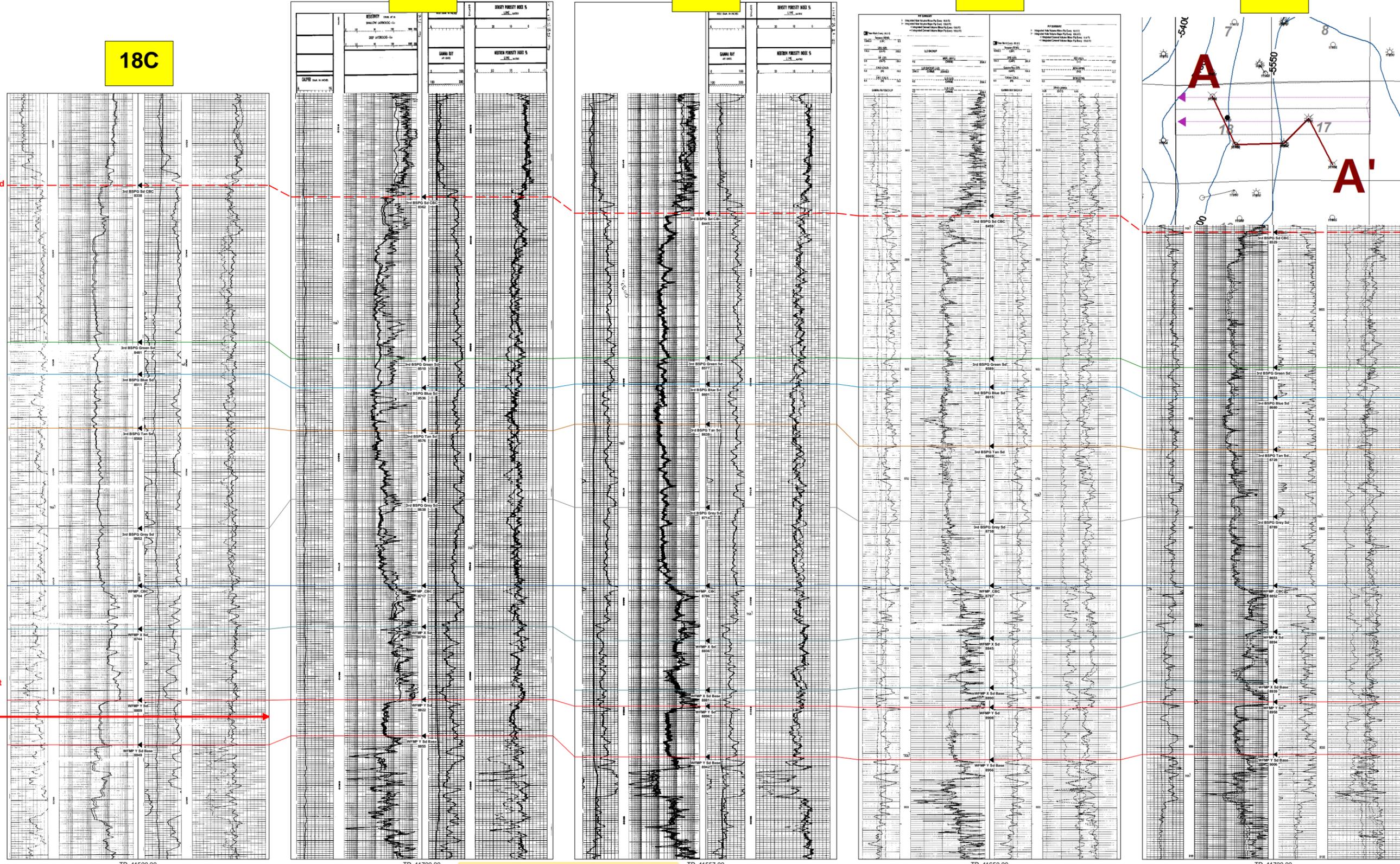
17F

17O

Top 3rd BSPG Sand

Top Wolfcamp

WFMP Sand Target Interval



TD=11500.00

TD=11700.00

TD=11557.00

TD=11650.00

TD=11700.00

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B-2
Submitted by: Mewbourne Oil Company
Hearing Date: October 5, 2023
Case No. 23774

Utah 17/18 3rd BSPG SD and WFMP SD
Cross Section Exhibit (A-A')

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 23774

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Michael H. Feldewert, attorney in fact and authorized representative of the Applicant herein, being first duly sworn, upon oath, states

1. The above-referenced application and notice of the hearing on this application was sent by certified mail to the affected parties on the date set forth in the letter attached hereto.

2. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

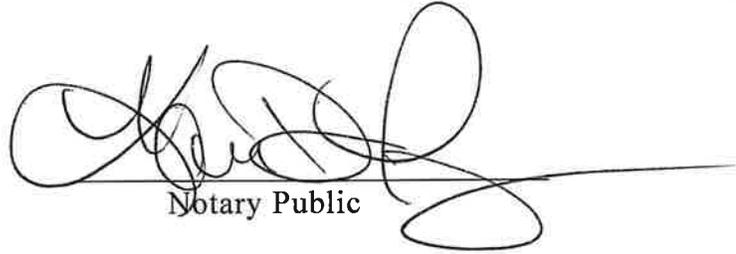
3. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of October 2, 2023.

4. I caused a notice to be published to all parties subject to compulsory pooling on September 19, 2023. An affidavit of publication from the publication's legal clerk with a copy of the notice publication is attached as Exhibit D.


Michael H. Feldewert

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Mewbourne Oil Company
Hearing Date: October 5, 2023
Case No. 23774

SUBSCRIBED AND SWORN to before me this 3rd day of October, 2023 by
Michael H. Feldewert.



Notary Public

My Commission Expires:

6/28/26

STATE OF NEW MEXICO
NOTARY PUBLIC
KARI D PEREZ
COMMISSION # 1138272
COMMISSION EXPIRES 06/28/2026



Michael H. Feldewert
Partner
Phone 505.988-4421
mfeldewert@hollandhart.com

September 15, 2023

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico: Utah 17/18 Fed Com 714H well (S2N2 spacing unit)

Greetings:

This letter is to advise you that Mewbourne Oil Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on October 5, 2023, and the status of the hearing can be monitored through the Division’s website at <http://www.emnrd.nm.gov/ocd/>.

Due to the remodeling of the state building where the New Mexico Oil Conservation Division is located, hearings will be conducted remotely beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Ariana Rodrigues at (432) 682-3715, or at arodrigues@mewbourne.com.

Sincerely,

Michael H. Feldewert
ATTORNEY FOR MEWBOURNE OIL COMPANY

Location
110 North Guadalupe, Suite 1
Santa Fe, NM 87501-1849

Mailing Address
P.O. Box 2208
Santa Fe, NM 87504-2208

Contact
p: 505.988.4421 | f: 505.983.6043
www.hollandhart.com

Holland & Hart LLP Anchorage Aspen Billings Boise Boulder Cheyenne Denver Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C.

MOC - Utah 714H well - Case no. 23774
Postal Delivery Report

9414811898765413395211	EOG Resources Inc. Attn Brian Pond	5509 Champions Dr	Midland	TX	79706-2843	Your item has been delivered to an agent for final delivery in MIDLAND, TX 79701 on September 19, 2023 at 8:31 am.
9414811898765413395259	OXY Y-1 Company Attn Jonathan Gonzales	5 Greenway Plz	Houston	TX	77046-0526	Your item has been delivered to an agent for final delivery in HOUSTON, TX 77046 on September 20, 2023 at 10:52 am.
9414811898765413395228	Oxy USA Wtp Limited Partnership Attn Jonathar	5 Greenway Plz	Houston	TX	77046-0526	Your item has been delivered to an agent for final delivery in HOUSTON, TX 77046 on September 22, 2023 at 11:24 am.

Carlsbad Current Argus.

PART OF THE OGA TODAY NETWORK

Affidavit of Publication

Ad # 0005826241

This is not an invoice

HOLLAND AND HART
PO BOX 2208

SANTA FE, NM 87504-2208

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

09/19/2023



Legal Clerk

Subscribed and sworn before me this September 29, 2023:



State of WI, County of Brown
NOTARY PUBLIC



My commission expires

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION SANTA FE, NEW MEXICO

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following cases. The hearings will be conducted remotely on Thursday, October 5, 2023, beginning at 8:15 a.m. To participate in the hearings, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@emnrd.nm.gov. Documents filed in these cases may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659-1779, no later than September 25, 2023.

Persons may view and participate in the hearings through the following link: <https://nmemnrd.webex.com/nmemnrd/j.php?MTID=m020a671a1f0dca6e32980a60729bbb0f>

Webinar number: 2488 867 1311

Join by video system: 24888671311@nmemnrd.webex.com

You can also dial 173.243.2.68 and

enter your webinar number

Join by phone: 1-844-992-4726 United States Toll Free

+1-408-418-9388 United States Toll

Access code: 2488 867 1311

Panelist password: EiMmNJYA667 (34666592 from phones and video systems)

STATE OF NEW MEXICO TO: All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All affected interest owners, including: EOG Resources Inc.; OXY Y-1 Company, and OXY USA WTP Limited Partnership.

Case No. 23774: Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling a 317-acre, more or less, standard horizontal well spacing unit in the Wolfcamp formation underlying the S2N2 of Sections 17 & 18, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be initially dedicated to the proposed Utah 17/18 Fed Com 714H well to be horizontally drilled from a surface hole location in the NE4 of Section 17, with a first take point in the SE4NE4 (Unit H) of Section 17 and a last take point in the SW4NW4 equivalent (Lot 2) of irregular Section 18. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the operating costs and charges for supervision, the designation of applicant as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 4 miles north of Carlsbad, New Mexico.

#5826241, Current Argus, September 19, 2023

Ad # 0005826241
PO #: 23774
of Affidavits: 1

This is not an invoice

RYAN SPELLER
Notary Public
State of Wisconsin

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: Mewbourne Oil Company
Hearing Date: October 5, 2023
Case No. 23774